

No. 15884

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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ROHR AIRCRAFT CORPORATION and THE FRANKLIN C.  
WOLFE COMPANY, INC.,

*Appellants,*

*vs.*

RUBBER TECK, INC., RUBBER TECK SALES AND SERVICE CO.,  
PAUL A. KARRES, OTTO R. GRASS and JOE P. KERLEY,

*Appellees.*

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PAUL A. KARRES, OTTO R. GRASS and JOE P. KERLEY,

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WOLFE COMPANY, INC.,

*Appellees.*

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Brief for Cross-Appellees Rohr Aircraft Corporation  
and The Franklin C. Wolfe Company, Inc.

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## Introduction.

This Brief is limited to questions of alleged false marking through advertising, and attorney's fees, raised by Cross-Appellants. For clarity, the parties will be referred to by their names or as Plaintiffs and Defendants. The Defendants' statements of fact are in general correct, and where incorrect will be pointed out hereinafter. Since the issues of alleged false marking and the award of attorney's fees in exceptional patent cases are entirely separate they will be so treated herein.

### Alleged False Marking.

Defendants' (Cross-Appellants) brief mixes *unproven allegations* with facts in such a manner that confusion is created.

There is no dispute about the fact that Plaintiff Franklin C. Wolfe Co., Inc.'s advertising literature contains a general patent legend as is shown in Exhibits 15 and 109 and that this literature illustrates many different products including LOCK O SEALS, ONE PIECE LOCK O SEALS, TERMIN O SEALS, GASK O SEALS, and others. The form of this general patent legend varies slightly in some printings but in the form complained of by Defendants is as follows:

“One of the LOCK O SEAL family  
Patent 2,396,005  
Other patents pending”

There is no question concerning Patent No. 2,396,005 which is the patent in suit discussed at length in Plaintiffs' opening brief. The relationship to LOCK O SEALS, one piece LOCK O SEALS and the accused device is set forth at length in Plaintiffs' opening brief.

As to the products TERMIN O SEAL and GASK O SEAL the facts are that these products had patents pending thereon at the time of the printing of the advertising. To be exactly correct, at the present time, both of these products have patents issued on them. The product TERMIN O SEAL is covered by United States Letters Patent No. 2,666,805 and the product GASK O SEAL by United States Letters Patent No. 2,717,793. These patents disclose exactly the devices shown in Plaintiff Wolfe's advertising.

Both of these patents which are official documents issued by the United States Patent Office bear on their

face the date of filing of the patent. In the case of patent No. 2,666,805 the filing date is February 3, 1951. In the case of patent No. 2,717,793 the date is November 10, 1952. It should be noted that both of these dates are prior to the effective date of 35 U. S. C., Section 292, on which the Defendants' counterclaim was based. The Patent Act of 1952 was by the enabling provisions of Section 4(a) made to "take effect on January 1, 1953." Thus it would have been impossible for the Plaintiffs to have falsely used the notation "patent pending" in relation to advertising either TERMIN O SEALS OR GASK O SEALS since both applications were filed before the law was passed.

According to the Defendants' Brief (p. 10) the "Court should have required the plaintiffs to produce their applications on their various sealing devices identified in their advertising with the legend 'Other patents pending,' or, in the alternative, confess that they had no applications pending thereon."

Before looking at the record we would like to point out that the sole incident at the trial relating to Defendants' request to produce, occurred during the presentation of Plaintiffs' case. No further questioning of any witnesses, nor demand for the production of evidence, nor anything else bearing on the question of possible false marking, took place during the Defendants' case [R. 557]:

"Mr. Miller: Your Honor, at this time before we get started, we would like to make a demand that the application on the so-called one-piece Lock-O-Seal or Stat-O-Seal be produced.

The Court: You mean application to whom?

Mr. Miller: For a patent.



Mr. Fulwider: I don't see that that has anything to do with this lawsuit, your Honor. We are not attempting to sue under the application.

The Court: What difference does it make?

Mr. Miller: That's the point here. There is apparently some allegation here that we are accused of infringing a patent because we made a one-piece device. Mr. Fulwider told you at the start that they had an application on the Stat-O-Seal—

The Court: Your motion is denied. Mr. Fulwider, I am going to require you to finish your case today. \* \* \*"

On its face the above demand had nothing to do with proof of false marking and was properly denied by the court for obvious reasons. Nevertheless, Defendants argue from this that the court should presume that Plaintiffs have no patents pending and should be found guilty of the criminal provision of false marking.

Defendants could have questioned any officer of Wolfe that they chose, under oath, to determine if the Plaintiffs had patents pending. If not satisfied with the affirmative answer they would have received, they could have subpoenaed records, and if necessary such portions of the patent application papers as would have been proper to prove the existence of the applications. The reason that Defendants did not take any such proper steps to prove their case is because they knew, and know now, that if they had, the claim of false marking would have evaporated.

Plaintiffs' patent legend is a general legend printed at many different places in the advertising [Exs. 15 and 109]. As such it was intended to give notice of multiple patent rights, a common practice in industry. Such marking has been specifically upheld as proper by the courts.



As was said in *United States v. General Electric Co.*, 82 Fed. Supp. 753, in speaking of the printed notice appearing on lamp cartons:

“The Mazda Lamp contained herein is manufactured by General Electric Company under *one or more* (italics supplied) of the following patents \* \* \*’ and was followed by a list of patent numbers, at least *one of which was employed* in the manufacture of the lamp contained therein. Testimony developed the fact that this was a practice often resorted to when multiple patents expiring at different times covered several objects and cannot be said to have deceived the public.”

In the instant case the Plaintiffs have employed one or more of their designated patent rights in manufacturing the various devices illustrated in the advertising literature and thus were acting in good faith at all times.

It should also be noted that all paragraphs of 35 U. S. C., Section 292 qualify false marking of advertising with the phrase “for the purpose of deceiving the public,” and that, as stated in the first sentence of the Revision Notes to the Code Section, “This is a criminal provision.” Like all criminal provisions, offenses charged under this Section must be proven beyond a reasonable doubt.

Even assuming that Plaintiffs patent legend is susceptible to some interpretation by which it is incorrect, no intent to deceive the public as is required by 35 U. S. C., Section 292 has been proved.

No proof whatsoever was attempted by Defendants to show Plaintiffs intent in its use of the patent legend on advertising. A person who marks as patented something which is not patented is not liable for the penalty pre-

scribed by Section 292 unless he does so knowing that he has no right to do so. In *London v. E. H. Dunbar Corp.*, 179 Fed. 506, 509 (C. C. A. 1), a case relied upon by Defendants, the Court illustrates the point as follows:

“Of course it does not follow from the fact that the article was unpatented that there was necessarily a purpose to deceive the public in marking it patented. The purpose to deceive the public is an essential element of the offense, and the burden is upon the plaintiff to establish this purpose, as well as the fact that the article is unpatented. The statute does not extend to one who has an honest, though mistaken, belief that upon a proper construction of the patent it covers the article which he marks.”

In *Calderwood v. Mansfield*, 71 Fed. Supp. 480, also relied upon by the Defendants, the Court said in holding that there was no false marking:

“Assuming the differences between the patent design and the manufactured wrist band to be substantial, such differences cannot give rise to a cause of action under 35 USC 50, unless they prove to be in furtherance of a ‘purpose of deceiving the public.’”

In summary, Defendants have completely failed to prove a case of false marking. It is a matter of public record that Plaintiffs had patents pendings as their patent legend states. It is obvious that Plaintiffs had the right to notice Patent No. 2,396,005. Thus the legend is true and correct as to both categories of Plaintiffs patent rights. Furthermore, the Defendants made no attempt to show that Plaintiffs had any intent whatsoever to deceive the public.

### Attorney's Fees.

Defendants contend that the trial court erred in failing to allow Defendants an opportunity to place in evidence the letter quoted at length on page 11 of Defendant's Brief on the Cross-Appeal. The short answer to this contention is that Defendants had an opportunity at the trial of this case to put in evidence this letter or anything else they wished. Defendants made *no attempt at the trial* to produce any evidence which would justify the award of attorney's fees.

Defendants have pointed to no procedural rule, and we know of none, which states that a court should not decide all of the issues in a case at the close of a full trial on the merits. Also, there is nothing which would have prevented Defendants from raising the issue of attorney's fees by proper application to the court after the decision if they had so desired.

Apart from this, Defendants letter was just what it appears to be, an expression of opinion. Plaintiffs have set forth their views concerning the prior art patents in their main brief and believe now, as they did in 1954, that the patent in suit clearly has an inventive difference over the prior art.

The second point raised is that Plaintiffs should not have joined Joe P. Kerley as a Defendant. Kerley was until July, 1954 an Officer, Director and substantial stockholder in the corporate Defendant Rubber Teck Inc. [R. 273]. He was one of the original incorporators of the company [R. 282], in 1947 and employed full time by it from then until 1954. He was in fact the individual most closely related to Defendants' subcontracting of the manufacture of the patented device, and the transmission

of technical data from Rohr and Wolfe to Rubber Teck Inc. He was undoubtedly a moving spirit in commencing the manufacture of the accused DUO SEAL device as is apparent from an inspection of the letter of November 20, 1953 from Rubber Teck Inc. to Fletcher Aviation Corporation [R. 744]. Moreover, sales of the infringing device occurred months before Kerley left Rubber Teck Inc. [R. 301] and most all of the acts of unfair competition had occurred or started. Plaintiffs thus had many good reasons for joining Kerley in this suit as will be obvious to this court.

There is nothing at all in the record of this case, or in Defendants' brief, which would support the view that this is an "exceptional" patent case as the term is set forth in 35 U. S. C., Section 285. As is said in the Revisor's Notes to Section 285:

"This section is substantially the same as the corresponding provision in R.S. 4921; 'in exceptional cases' has been added as expressing the intention of the present statute as shown by its legislative history and as interpreted by the courts."

The law of this Circuit was well stated in the case of *Park-In Theatres, Inc. v. Perkins*, 190 F. 2d 137, 90 U. S. P. Q. 163, wherein it is said:

". . . But in granting this power, Congress made plain its intention that such fees be allowed only in extraordinary circumstances. . . . Thus, the payment of attorney's fees for the victor is not to be regarded as a penalty for failure to win a patent infringement suit. *The exercise of discretion in favor of such an allowance should be bottomed upon a finding of unfairness or bad faith in the conduct of the losing party, or some other equitable consideration of similar force, which makes it grossly*

*unjust* that the winner of the particular law suit be left to bear the burden of his own counsel fees which prevailing litigants normally bear. The cases support this view. . . ." (Emphasis added.)

Had the Defendants put in evidence the letter referred to in their brief, we believe it clear that the trial court would have decided this issue exactly as it did. To do otherwise on the record of this case would have been a manifest abuse of discretion.

### Conclusion.

The judgment of the trial court that there was no merit in Defendants' counterclaim for false patent marking under 35 U. S. C., Section 292 should be affirmed.

The Defendants request for attorney's fees below, and in this court should be denied.

Respectfully submitted,

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